



ALLIANCEBERNSTEIN®

AB Tax Advantaged Balanced Direct Index Portfolio (SMA) | 4Q 25

A Multi-Asset Approach Offering Customizable Exposure to Two-Key Tax-Efficient Asset Classes: Direct Indexing and Municipal Bonds

AB Balanced Direct Index offers customization by equity index, municipal strategy and asset allocation. We believe it's ideally suited to high-tax-bracket accumulators with a longer time horizon and have or expect capital gains.

Equity Holdings	300–400
Municipal Holdings	20–40
Asset Allocation	Offered at five asset allocations: 80/20, 70/30, 60/40, 50/50, 40
Equity Exposure	S&P500, Russell 1000, Russell 1000 Growth, Russell 1000 Value
Municipal Exposure	AB Muni High Quality: Short, Interim, Long AB Muni Ladder: 1–5, 1–10, 1–15
Fee	20 basis points (bps)
Account Minimum	\$500,000

AB's Multi-Asset Approach Combines Multiple Benefits in One Portfolio

Combining direct indexing and municipal bonds in a single account may offer benefits compared to a sleeve-based approach, including added rebalancing benefits, tax-loss harvesting in both stocks and bonds, and improved advisor efficiency.

ONE ACCOUNT THAT CAN HELP UNLOCK MULTIPLE BENEFITS

Intelligent Rebalancing

Next Generation Balanced Investing

Innovative rebalancing targets an annual tax alpha of 16 bps

Tax Optimization

Equity Tax-Loss Harvesting

Annual Target = 100–200 bps of tax alpha

Muni Bond Tax-Loss Harvesting

Annual Target = 25–50 bps of tax alpha

Implementation Advantages

Ease of Use

Combines two core-asset classes in a single account

Automated Monitoring

Ensures the portfolio is managed to targets in a tax-efficient manner

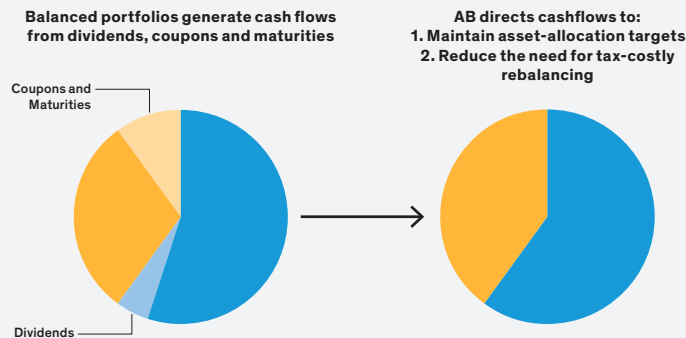
Target returns are not projections, predictions or guarantees of future performance and there can be no assurance that the target return will be achieved.

Source: AB

AB's Multi-Asset Structure Provides a Rebalancing Advantage That Helps Enhance Tax Efficiency

Because AB's intelligent rebalancing can direct cash flows to the underweight asset, it is able to keep portfolios closer to strategic targets potentially reducing the number of tax-costly rebalancing trades.

AB'S "SOFT REBALANCE" CAN HELP FACILITATE REDUCED COSTS AND TAX LIABILITIES



For informational purposes only. There can be no assurance that any investment objectives will be achieved.
Source: AB

A Holistic Approach That Blends Direct Indexing and Municipals May Offer Outperformance

A combination of tax-loss harvesting in equities, municipals and more efficient rebalancing has the potential to generate better after-tax results, helping high-earners reduce tax burdens and keep more of their portfolio's returns.

	Passive ETFs	Equity DI + Muni SMA	AB Tax Advantaged Balanced DI
Estimated Fees	5 bps	20 bps	20 bps
Expected Capital Gains	0	0	0
Tax-Loss Harvesting on Equities*	Market Dependent	+60–120 bps	+60–120 bps
Tax-Loss Harvesting on Bonds*	Market Dependent	Limited	+10–20 bps
Rebalancing Tax Costs (Annual)	24 bps	24 bps	8 bps
Total Benefit	0 bp	+15–75 bps	+40–110 bps

*Scaled for a 60% allocation to equities and a 40% allocation to municipal bonds. Rebalancing cost is calculated by AB over a five-year period based on a 60/40 asset allocation.
As of December 31, 2025 | Source: AB

AB Tax Advantaged Balanced Direct Index Portfolio (SMA) Composite (in US dollars)

Period	Composite Assets (USD millions)	Composite Accounts at End of Period	Net Return (%)	Pure Gross Return (%) [†]	Internal Composite Dispersion (%)	Composite 3-Yr Ann ex Post Std Deviation (%)	Benchmark 3-Yr Ann ex Post Std Deviation (%)	Total Firm Assets (USD billions)	60%SP500/40%BBG Intermediate Managed Money Index Return (%)	% of Managed Accounts
8/1–12/31/2024	0.5	1	3.29	4.58	NA	NA	NA	663.8	4.40	100
Since Inception [†]			3.29						4.40	

† Inception date 8/1/2024. N/A: Not Applicable, less than minimum time period.

Presentation of the Firm: AllianceBernstein L.P. (“ABLP”) is a registered investment advisor with the US Securities and Exchange Commission. AB Institutional Investments and AB Investments (collectively, the “Firm”) are the institutional and retail sales, marketing, and client service units of ABLP. In 2/2006, Alliance Capital Management L.P. changed its name to ABLP. Compliance Statement: The Firm claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for the periods from 1993-2023. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm’s policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firmwide basis. Verification does not provide assurance on the accuracy of any specific performance report. Composite Description: The performance results displayed herein represent the investment performance record for the Tax Advantaged Large Cap/Muni High Quality Intermediate 60/40 Managed Account Composite (the “Composite”). The Composite includes all fee-paying discretionary accounts. The Composite is made up of a strategy that seeks to outperform the 60% S&P 500 Total Return/40% Bloomberg Managed Money Intermediate Muni Bond index after tax (before fees). This objective will be achieved by investing in a subset of stocks within the S&P 500 Index (i.e., equity direct indexing), as well as municipal bonds for tax-efficient tax-efficient tax-efficient tax-efficient income. The strategy also utilizes a thoughtful, research-driven approach to tax-loss harvesting and rebalancing at the portfolio level to maximize after-tax returns. Since inception to the current period, 100% of the Composite assets have been in a non-fee-paying proprietary account. The creation date of this Composite is 9/2024, and the inception date is 7/31/24. For the performance period presented, Investment Professionals may have changed or departed, none of which in the Firm’s view have altered the Composite’s strategy. A complete list including composite descriptions, pooled fund descriptions for limited distribution pooled funds, and broad distribution funds managed by the Firm is available upon request. Additional information regarding policies for valuing investments, calculating performance and preparing GIPS reports is also available upon request via email to CompositeRequests@alliancebernstein.com. **Total Return Methodology and Fee Structure:** Performance results are shown in two formats. Pure gross returns do not reflect the deduction of any trading costs, fees or expenses. Pure gross of fee returns are supplemental to net returns. Net returns are calculated by deducting the highest applicable Managed Account model fee (3.0% on an annual basis, or 0.25% on a monthly basis) on a monthly basis from the pure gross Composite monthly return. The Managed Account fee includes transaction costs, custodial service fees and investment advisory fees. **Rate of Return:** No representation is made that the performance shown in this presentation is indicative of future performance. An account could incur losses as well as generate gains. Performance figures for each account are calculated monthly on a trade-date basis using a total-rate-of-return calculation. Investment transactions are recorded on a trade-date basis, and interests and dividends are recorded on an accrual basis, net of withholding taxes, if applicable. Investments in securities are valued in accordance with the Firm’s Valuation Policies and reflect a good-faith estimate of fair value levels for all investments, which may not be realized upon liquidation. The fair valuation process requires judgment and estimation by the Firm. The Composite returns are calculated based on the asset-weighted monthly composite constituent account returns where the weight is the beginning fair value of the accounts. **Dispersion:** Internal dispersion is calculated using the asset-weighted standard deviation of pure gross return for all accounts included in the Composite for the entire year; it is not presented for periods less than one year or when there were fewer than two accounts in the Composite for the entire year. The three-year annualized ex post standard deviation measures the variability of the Composite’s pure gross return and the benchmark returns over the preceding 36-month period; it is not presented for periods of less than three years. The benchmark is 60/40 blend of the S&P 500 Total Return and the Bloomberg Managed Money Intermediate Muni Bond. The benchmark is weighted monthly and the monthly returns are geometrically linked to calculate cumulative and/or annualized rates of return for longer time periods. 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Tax Alpha measures relative outperformance attributable to tax-optimization strategies. Results are based off realized tax loss harvesting statistics over the course of [year(s)]

A WORD ABOUT RISK

Market Risk: The market values of the portfolio’s holdings rise and fall from day to day, so investments may lose value. **Interest-Rate Risk:** Fixed-income securities may lose value if interest rates rise or fall—long-term securities tend to rise and fall more than short-term securities. The values of mortgage-related and asset-backed securities are particularly sensitive to changes in interest rates due to prepayment risk. **Credit Risk:** A bond’s credit rating reflects the issuer’s ability to make timely payments of interest or principal—the lower the rating, the higher the risk of default. If the issuer’s financial strength deteriorates, the issuer’s rating may be lowered and the bond’s value may decline. **Inflation Risk:** Prices for goods and services tend to rise over time, which may erode the purchasing power of investments. **Foreign (Non-US) Risk:** Investing in non-US securities may be more volatile because of political, regulatory, market and economic uncertainties associated with such securities. These risks are magnified in securities of emerging or developing markets. **Currency Risk:** If a non-US security’s trading currency weakens versus the US dollar, its value may be negatively affected when translated back into US-dollar terms. **Diversification Risk:** Portfolios that hold a smaller number of securities may be more volatile than more diversified portfolios, since gains or losses from each security will have a greater impact on the portfolio’s overall value. **Derivatives Risk:** Investing in derivative instruments such as options, futures, forwards or swaps can be riskier than traditional investments, and may be more volatile, especially in a down market. **Leverage Risk:** Trying to enhance investment returns by borrowing money or using other leverage tools—magnifying both gains and losses, resulting in greater volatility. **Municipal-Market Risk:** Debt securities issued by state or local governments may be subject to special political, legal, economic and market factors that can have a significant effect on the portfolio’s yield or value.

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